

Imbalances of the Russian budget system and the economic inequality of regions

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Abstract

© Medwell Journals, 2016. In spite of economic and social progress economic and social inequality in the world still exists. It can be considered in different aspects: between different population groups, countries, regions of the certain countries. Problems of economic inequality of the Russian Federation regions as well as its conditioning factors are being reviewed in this study. Calculations proving that inequality in economic development of the Russian regions is decreasing insignificantly are listed here. This inequality causes differentiation of the taxable capacity and fiscal capacity that affect stability of the budget system of the Russian Federation. An alignment mechanism for the level of fiscal capacity based on the subsidies is being used in order to decrease the level of fiscal capacity of the Russian subjects. The calculations contained in the article demonstrate that alignment only minimizes this inequality. It is being proved that solution of the problem of differentiation of the regions' level of economic development is to be performed using set of measures decreasing these gaps.

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Keywords

Economic development, Economic inequality, Gross regional product taxable capacity, Index of budgetary expenditures, Russian regions, Subsidies